THE VICE CHAIRMAN : (SYED SIBTEY RAZI) : Yes, Commerce Minister, you please make your statement. (*Interruptions*) ... If you are not ready ... (*Interruptions*) ... I am not going to ... (*Interruptions*) ... Please go back to your seats. (*Interruptions*) ...

श्री दिग्विजय सिंह : यह तो 12 बजे ही आने वाले थे ... (**व्यवधान**) ...तय यह हुआ था कि ढाई बजे प्रधानमंत्री आएंगे और इस सदन में अपना वक्तव्य देंगे ... (**व्यवधान**)...

श्री सत्य प्रकाश मालवीय : प्रधान मंत्री को आना चाहिए। ... (**व्यवधान**)...

THE VICE CHAIRMAN : (SYED SIBTEY RAZI) : Mr. Digvijay Singh, you please go to seat. (*Interruptions*) ..... No, you cannot ask ... (*Interruptions*) ...

STATEMENT BY MINISTER

URUGUAY ROUND AGREEMENT

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : Mr. Vice-Chairman, Sir, the Uruguay Round talks have been concluded last night and an overall agreement covering Trade in Goods, Trade in Services, Trade Related Intellectual Property Rights, Trade Related Investment Measures, Trade in Textiles and Trade in Agricultural Commodities ... (*Interruptions*) ... has been crystalised for adoption and ratification by the Governments of the 117 countries which have been involved in the negotiations. (*Interruptions*) ...

THE VICE CHAIRMAN : (SYED SIBTEY RAZI) : It is not there. (*Interruptions*) ... No, it is nowhere ... *Interruptions*) ...

SHRI PRANAB MUKHERJEE : As Government has clarified on more than one occasion, in both Houses of Parliament, India has been a consistent supporter of an orderly multi lateral trading system. (*Interruptions*) ... Such system confers the benefits of Most Favoured Nation (MFN) treatment to all members, benefits of reduced tariffs and increased market access and the protection of a Multilateral Dispute Settlement Mechanism. (*Interruptions*) ...

THE VICE CHAIRMAN : (SYED SIBTEY RAZI) : I am totally concerned about ... (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : It is expected that the successful conclusion of the Uruguay Round will result insignificant expansion in world trade as a result of which ... (*Interruptions*) ... India should be able to increase its own exports by US dollars 1.5 to 2 billion annually in addition to the normal growth. The reduction in export subsidies on agriculture by developed countries will make Indian agricultural exports more competitive in world markets. (*Interruptions*) ... It may be mentioned that despite their strong reservations regarding permitting the import of rice, even countries like Japan and South Korea have agree to allow market access for rice to other exporting countries. (*Interruptions*) ...

THE VICE CHAIRMAN : (SYED SIBTEY RAZI) : The Commerce Minister is on his legs. (*Interruptions*) ... If you don't want to listen, you don't listen to it. Yes, Mr. Commerce Minister. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : As I had informed the House in the course of my reply ... (*Interruptions*) ...

THE VICE-CHAIRMAN : (SYED SIBTEY RAZI) : You are losing an opportunity. (*Interruptions*) ... If you don't want to listen, okay. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : ... to the discussion last week, taking the product and non-product agricultural subsidies together, India's aggregate subsidy works out to a substantial negative figure thereby providing a very (*Interruptions*) ... large scope for further augmentation of agricultural subsidies if Government were to choose to raise the subsidies from the current levels. (*Interruptions*) ...

THE VICE-CHAIRMAN : (SYED SIBTEY RAZI) : You are losing an opportunity. (*Interruptions*) ... You are losing an

opportunity. (*Interruptions*) ... Please take your seats. (*Interruptions*) ... You are losing an opportunity. (*Interruptions*) ... Nowhere it is mentioned that the Prime Minister may come. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : The proposed agreement provides for subsidy level of 10% of the value of agricultural produce which is far higher than the current negative level of subsidy. (*Interruptions*) ...

THE ICE-CHAIRMAN : (SYED SIBTEY RAZI) : No. I am not going to call the Prime Minister. (*Interruptions*) ... You cannot compel the Chair like this. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : The agreement has also clarified that consumer subsidies under the Public Distribution System for the rural and urban poor are outside the scope of disciplines and our PDS system can thus be continued without any difficulty. (*Interruptions*) ...

THE VICE-CHAIRMAN : (SYED SIBTEY RAZI) : Nowhere and at no point of time was it stated that the Prime Minister would come for making a statement. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : While we would give reasonable protection to plant breeders who develop new plant varieties under the Agreement, the rights of farmers and researchers will also be fully protected. (*Interruptions*) ... As I have already clarified in the House, in the "*sui generis*" legislation which is being drafted for this purpose, the interests of our farmers will be safeguarded. (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : You cannot. (*Interruptions*) ..

An HON. MEMBER : No copy of the Statement has been given. (*Interruptions*) ... How can we participate ? (*Interruptions*) ... No copy of the statement has been given. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : As stated by me earlier in the House ... (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Mr. Minister ... (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : ... the agreement does not place any explicit obligation to patent naturally occurring genes and gene sequences. (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Mr. Commerce Minister, (*Interruptions*) ... Mr. Commerce Minister, ... (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : I am already on record that Government do not intend to permit patenting of naturally occuring genes and gene sequences in the patents legislation ... (*Interruptions*) ... which would have to be instituted in 10 years after coming into force of the proposed agreement. (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Mr. Minister, ... (*Interruptions*) ... Mr. Minister, ... (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : While India had initially not been in favour of inclusion of Trade Related Intellectual Property Rights in the scope of the Uruguay Round, ... (*Interruptions*) ... It had ultimately to go along with the rest of the world community. A country like ours which does not presently recognize products patents in the field of drugs, ... (*Interruptions*) ... food products and chemicals, has been allowed a transition period of 10 years for establishing a products patent regime for such items. ... (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Mr. Minister ... (*Interruptions*) ... Mr Minister, you kindly lay it on the Table of the House. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : If we were to out of the new agreement, the possibility of our major trading partners insisting upon much earlier introduction of product patents on the threat of impostion of restrictions ... (*Interruptions*) ... on the export of our goods into their markets cannot be ruled out. (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : I am not going to adjourn the House. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : Members may be aware that under such pressure some developing countries very recently decided to introduce an entirely new patent regime ... (*Interruptions*) ... in accordance with the wishes of some developed countries to safeguard their market access to those countries. (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Till the Statement is completed I am not going to adjourn the house. ... (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : I had also clarified in the House that the fears regarding inordinate rise in the price of patented drugs after the introduction of product patents are not quite justified because ... (*Interruptions*) ... under the agreement Government would be able to undertake ... (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : You are not listening to him. What are you going to do? (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : ... compulsory licensing for non-commercial public use as well as to prevent situations of either inadequate availability ... (*Interruptions*) ... or exorbitant pricing. Be sides, Government retains the right to institute price control on drugs. (*Interruptions*) ...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Please take your seats. (*Interruptions*) ...

SHRI PRANAB MUKHERJEE : As regards the agreement on Trade Related Investment Measures, the position is that the Government retains its soverign right to decide what type of foreign investment it wishes to allow into the country. Conditions can also be imposed regarding fulfilment of export obligations to balance the outgo and inflow of foreign exchange by such ventures. The only requirement under the agreement is that once a unit has been allowed to come into the country it will be treated at par with other indigenous units in terms of regulationos and policies. (*Interruptions*).

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Please take your seats. (*interruptions*). You can make your submission ... (*Interruptions*).

SHRI PRANAB MUKHERJEE : As regards Textiles, though we are unhappy with the extension of the quota regime by importing countries for another 10 years and unsatisfactory annual rate of enhancement of the import quotas, it has to be recognised that the commitment to finally phase out the quota regime after 10 years is a positive gain for textile exporting countries including India. (*Interruptions*).

SHRI SUBRAMANIAN SWAMY : The Minister is reading a statement which has not been circulated to the members. (*Interruptions*). How can he make a statement which has not been circulated. (*Interruptions*).

श्री एस० एस० अहलुवालिया (बिहार) : उपसभाध्यक्ष महोदय, कापियां बांटी जाएं, हम क्लेरिफिकेशन्स पूछना चाहते है। ...(**व्यवधान**) उपसभाध्यक्ष महोदय, स्टेटमेंट की कापियां बांटी जाएं। ...(**व्यवधान**)...

SHRI PRANAB MUKHERJEE : In the final hours of the round an attempt was made by some industrialised countries to alter the textile agreement of the draft final Act to our disadvantage. (*Interruptions*). The argument given was that India while benefiting from the open trading system and in spite of being competitive in textiles had kept its market closed. Forceful suggestions were made that we should open our market also on a reciprocal basis. We took the position that the multifibre agreement was a derogation from GATT, and the integration of the Textiles trade into GATT was not something that required any contribution from us. We sustained our position in spite of concerted demands on us. (*Interruptions*).

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Kindly restore order in the House. (*Interruptions*). Kindly take your seats. (*Interruptions*). आप चुप रहें तो सुना जाए। ...(**व्यवधान**)...

SHRI PRANAB MUKHERJEE : We also successfully resisted concerted moves to extend the period of integration of textile trade from 10 to 15 years by taking a strong position on the issue. (*Interruptions*). The Standing Committee attached to the Commerce Ministry which had gone into the implications of the Dunkel Draft in great detail has recommended in its report, that while all efforts should be made to safeguard India's interests in key sectors of agriculture, textiles, services and Intellectual Property Rights, at the end of the day, India should remain a part of a multilateral trading system rather than opting out the same and getting totally isolated from the rest of the world. (*Interruptions*).

On the whole it is our considered judgement that India has more to benefit from the expansion of world trade through the Uruguay Round Agreement rather than pursuing any alternative course of action. (*Interruptions*).

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : I adjourn the House till 3.30 P. M.

The House then adjourned at forty-four minutes past two of the clock.

The House reassembled at thirty-two minutes past three of the clock, [**The Deputy Chairman** in the Chair].

RE-DEMAND FOR STATEMENT BY PRIME MINISTER REGARDING GATT—contd.

SHRI SUBRAMANIAN SWAMY : There is no Commerce Minister. There is no Prime Minister. Is the Home Minister going to answer our questions on Dunkle? (*Interruptions*). Please adjourn the House till the Prime Minister comes. There is no Commerce Minister also. . .

उपसभापति : आप लोग जरा बैठिए, वह बोल रहे है ... (**व्यवधान**) यह कुछ बोलना चाह रहे है ... (**व्यवधान**)

श्री मोहम्मद अफजल उर्फ मोम अफजल : प्रधानमंत्री को यहां आना चाहिए । यह देश का सवाल है, आजादी का सवाल है ... (**व्यवधान**) कहां है प्रधानमंत्री ... (**व्यवधान**)

شری محمد افضل عرف م۔ افضل : پردھان منتری کو یہاں آنا چاہیئے یہ دیش کا سوال ہے۔ آزادی کا سوال ہے۔ ... مداخلت ... کہاں ہیں پردھان منتری ... مداخلت ...

SHRI SUBRAMANIAN SWAMY : You must rule on the fact ... (*Interruptions*).

SHRI SUKOMAL SEN : You call the Prime Minister or adjourn the House. How can a Minister make a statement without circulating copies ? (*Interruptions*).

THE DEPUTY CHAIRMAN : You ask him for clarifications. Here is the Commerce Minister.

SHRI SUBRAMANIAN SWAMY : No statement has been circulated.

SHRI G. G. SWELL (Meghalaya) : The statement of the Commerce Minister was not circulated.

SHRI S. JAIPAL REDDY : The statement was not circulated. Therefore, it cannot be taken as read. (*Interruptions*).

SHRI MD. SALIM (West Bengal) : It is not a statement, it is a post-mortem ... (*Interruptions*).

श्री मोहम्मद अफजल उर्फ मोम अफजल : मैडम, रूल्स के खिलाफ चेयर के मना करने के बावजूद कामर्स मिनिस्टर ने अपना स्टेटमेंट यहां पढ़ने की कोशिश की, जो रिकार्ड पर नहीं गया। मैडम, मैं यह जानना चाहता हूं कि इनका स्टेटमेंट रिकार्ड पर गया या नहीं गया ... (**व्यवधान**)

†[ ] Transliteration in Arabic Script.